

Message Text

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PAGE 01 KINSHA 04592 281533Z

43

ACTION XMB-07

INFO OCT-01 AF-10 ISO-00 EB-11 COME-00 TRSE-00 OPIC-12

AID-20 DRC-01 RSC-01 /063 W

----- 060076

R 281512Z MAY 74

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 7893

LIMITED OFFICIAL USE KINSHASA 4592

E.O. 11652: N/A

TAGS: EFIN, CG

SUBJECT: EXIMBANK FINANCING FOR SMTF; POLITICAL GUARANTEES

1. TEMPLESMAN CALLED ON BISENGIMANA MONDAY WITH LETTER OF PRELIMINARY COMMITMENT DATED MAY 13. HE PRESENTED EXIM'S CONDITIONS AFTER GIVING BACKGROUND OF PROJECT AND STRESSED BANK'S DESIRE TO PLACE COMMERCIAL-CREDIT RISKS ON PRIVATE SHAREHOLDERS, TO RESTRICT PAY-OUTS TO 30 PERCENT, TO REQUIRE PAYING BACK EXIM SOONEST IF PROJECT BECOMES BONANZA, AND TO REQUIRE GOZ PROVIDE POLITICAL GUARANTEES. ALL THESE POINTS REGISTERED FAVORABLY WITH BISENGIMANA.

2. BISENGIMANA READ TRANSLATION OF LETTER THROUGH AND SAID HE FOUND NO PROBLEM WITH IT EXCEPT IN WORDING. HE SAID QTE WHEN MY BELGIAN FRIENDS ARE HERE I DON'T SAY WE'RE NATIONALIZING YOU, HOW MUCH DO YOU WANT? WE MUST WORD IT MUCH MORE DELICATELY. UNQTE. HE SAID THAT THERE IS NO QUESTION BUT THAT GOZ MUST PROVIDE THE POLITICAL GUARANTEES REQUIRED, BUT SUGGESTED THAT TEMPLESMAN (1) SUBMIT LETTER FORMALLY UNDER COVERING NOTE TO HIM AND (2) PROVIDE A DRAFT REPLY APPROVING CONDITIONS IN PRINCIPLE BUT SUGGESTING REVISED WORDING.

3. LETTER IS NOW BEING PREPARED AND WILL BE SUBMITTED
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PAGE 02 KINSHA 04592 281533Z

TO BISENGIMANA WITHIN A DAY OR TWO. WHEN WORDING HAS

BEEN APPROVED BY PRESIDENT, TEMPLESMAN WILL SUBMIT IT
TO EXIMBANK FOR CONSIDERATION.

4. COMMENT: TEMPLESMAN TELLS US THAT EXIMBANK IS
WILLING TO CHANGE WORDING SO LONG AS PRINCIPLE REMAINS
INTACT. WE ARE ENCOURAGED BECAUSE HIS VISIT WITH
BISENGIMANA WENT SO WELL AND EXPECT THAT WORDING
ACCEPTABLE BOTH SIDES WILL BE WORKED OUT.
ANDREW

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MINING INDUSTRY, DEVELOPMENT LOANS, INVESTMENT GUARANTEES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KINSHA04592
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
Film Number: D740133-0753
From: KINSHASA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740515/aaaaamkx.tel
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Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 04 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 SEP 2002 by boyleja>; APPROVED <19 MAR 2003 by boyleja>
Review Markings:

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EO Systematic Review
30 JUN 2005

Review Media Identifier:
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Review Release Date: n/a
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Secure: OPEN
Status: NATIVE
Subject: EXIMBANK FINANCING FOR SMTF; POLITICAL GUARANTEES
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To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005